

# FISCAL NOTE

**Bill #:** SB0152

**Title:** Define basic system of free quality schools

**Primary Sponsor:** Ryan, D

**Status:** As Amended in House Committee

Sponsor signature	Date	David Ewer, Budget Director	Date
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## Fiscal Summary

	<b><u>FY 2006 Difference</u></b>	<b><u>FY 2007 Difference</u></b>
<b>Expenditures:</b>		
General Fund	Unknown	Unknown
<b>Revenue:</b>		
General Fund	\$0	\$0
<b>Net Impact on General Fund Balance:</b>	Unknown	Unknown

<input checked="" type="checkbox"/> Significant Local Gov. Impact	<input checked="" type="checkbox"/> Technical Concerns
<input type="checkbox"/> Included in the Executive Budget	<input type="checkbox"/> Significant Long-Term Impacts
<input type="checkbox"/> Dedicated Revenue Form Attached	<input type="checkbox"/> Needs to be included in HB 2

## Fiscal Analysis

### ASSUMPTIONS:

#### **Legislative Branch (LB)**

1. The Board of Education meets several times each fiscal year, however the frequency with which the Board will propose new or amended accreditation standards is unknown.
2. The Education and Local Government Interim Committee will include the review requirement in its committee workload without additional funding.
3. The requirement for preparation of a fiscal analysis of each proposed new or amended accreditation standard represents a significant workload impact to the Legislative Fiscal Division (LFD). Regardless, the LFD will attempt to perform the analyses, when required, using existing resources. To the extent the analyses occur, the Legislative Finance Committee (the oversight committee for the LFD) would be limited in its ability to prioritize LFD workload.

#### **Office of Public Instruction (OPI)**

4. SB 152 changes the legal financial obligation of the state to school districts, but does not alter the state's school funding formula established in Title 20, Chapter 9. The basic and per-ANB entitlements established in 20-9-306, MCA and the maximum and minimum budget limits established in 20-9-308, MCA still drive the level of state support for schools. Until the legislature ties its funding formula to its definition of "a basic system of free quality public elementary and secondary schools," the state cost to support the basic system will continue to be the funding level established by current law.

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(continued)

5. Section 1 of SB 152 identifies the components of a basic system of free quality public elementary and secondary schools. The basic system includes the accreditation standards; services to special needs and at-risk students; services to students with disabilities; services to gifted and talented students; Indian Education for All; qualified, well-prepared and effective teachers, staff and administrators; facilities and onsite distance learning technologies; transportation; and a procedure to assess and track student achievement.
6. Schools are currently required to provide all of the programs and services listed in #2 by the accreditation standards or state and federal law. The issue is whether schools have adequate resources to meet these requirements.

### **LONG-RANGE IMPACTS:**

SB 152 defines and increases the requirement of the state to fund schools. Current law does not define what a quality education is, but current level funding does not provide adequate funding for many of the services required by SB 152. The cost of meeting the level of service required by SB 152 is unknown.

### **TECHNICAL NOTES:**

#### **Office of Public Instruction (OPI)**

1. Montana school law and administrative rules do not currently include definitions of at-risk students, students with special needs, or students with limited English proficiency (LEP). There is a federal definition of LEP in the No Child Left Behind Act. The Office of Public Instruction relies on this definition for implementation of school programs that affect students with limited English proficiency.